

03

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval to Construct a 46 kV)
Overhead Subtransmission Line)
Pursuant to Hawaii Revised Statutes)
Section 269-27.5, for Item EP001253,)
the Hickam PPV P40 and P41 46 kV)
Overhead Relocation Project.)
_____)

DOCKET NO. 05-0086

DECISION AND ORDER NO. 21891

RECEIVED
2005 JUN 27 A 9:54
E.V. OF CONSUMER ADVOCACY
DEPT. OF COMMERCE AND
CONSUMER AFFAIRS
STATE OF HAWAII

Filed June 24, 2005
At 2 o'clock P.M.

Karen Higashi
Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Commission, State of Hawaii.

K. Higashi

In the Matter of the Application of)
)
 HAWAIIAN ELECTRIC COMPANY, INC.)
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 For Approval to Construct a 46 kV)
 Overhead Subtransmission Line)
 Pursuant to Hawaii Revised Statutes)
 Section 269-27.5, for Item EP001253,)
 the Hickam PPV P40 and P41 46 kV)
 Overhead Relocation Project.)
)

Decision and Order No. 21891

The commission approves HAWAIIAN ELECTRIC COMPANY, INC.'s ("HECO") request to relocate a segment of its Makalapa 42 46 kilovolt ("kV") overhead subtransmission line above ground, consistent with Hawaii Revised Statutes ("HRS") § 269-27.6(a).

Background

¹HECO, Application, Verification, Exhibit 1 - 5, and Certificate of Service, filed on April 7, 2005, as amended on April 14, 2005 (collectively, the "Application").

HECO served copies of its Application upon the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy ("Consumer Advocate"). On May 12 and 17, 2005, HECO responded to the Consumer Advocate's information requests.

On June 1, 2005, the commission held a public hearing at the Chester W. Nimitz Elementary School on HECO's Application, in accordance with HRS § 269-27.5. HECO's Vice President of Energy Delivery and the Consumer Advocate both submitted written testimony and orally testified. No one from the general public appeared or testified.

The Consumer Advocate does not object to the commission's approval of HECO's Application.²

II.

Line Relocation Project

Exhibits 1 and 2 of HECO's Application consist of maps and diagrams that illustrate the Project's scope of work.³

The United States Air Force ("Air Force") is developing multi-family residential units, a community center, and housing office near the intersection of Kuntz Avenue and Vandenberg Boulevard on Hickam Air Force Base (the "housing project"). Actus Lend Lease LLC ("Actus") is the developer of the housing project, pursuant to a contract with the Air Force, and HECO is initiating the Project at Actus' request.

²Consumer Advocate's position statement, filed on June 8, 2005.

³See also Exhibit 2 of HECO's response to CA-IR-2.

HECO explains:

1. The existing location of HECO's overhead 46 kV subtransmission line between poles P97/41, P97/40, and P97/39 is in conflict with the proposed development of the community center and housing office. Thus, these two (2) spans of the existing overhead 46 kV subtransmission line need to be relocated in order to allow for the construction of the community center and housing office, which will be located directly beneath the existing 46 kV alignment. The portion of the existing overhead 46 kV subtransmission line that HECO intends to relocate is part of the Makalapa 42 46 kV circuit that runs from the Makalapa substation to the Hickam substation.

2. The Project will involve the relocation of the existing overhead 46 kV subtransmission line between poles P97/41, P97/40, and P97/39, about one hundred (100) feet to the southwest. The Air Force has approved the overhead-to-overhead relocation of this portion of the 46 kV subtransmission line.

3. Specifically, the 46 kv overhead relocation work will consist of:

A. Installing: (i) three (3) 70 foot wood poles; (ii) four (4) anchors; and (iii) approximately 650 circuit feet of 556.5 KCM AAC 46 kV overhead conductors; and

B. Removing: (i) two (2) 70 foot wood poles, P97/41 and P97/40; and (ii) approximately 600 circuit feet of 556.5 KCM AAC 46 kV overhead conductors.⁴

⁴According to HECO, the Project's scope "may be slightly modified due to design modifications initiated by Actus or further design refinements by HECO." HECO's Application, at 4.

4. While the Project area is zoned F-1, Military and Federal: (A) the relocated 46 kV overhead subtransmission line will be visible from nearby existing multi-family residential units; and (B) the new multi-family residential units will be built adjacent to one (1) end of the relocated 46 kV subtransmission line.

5. Actus is nearly completed with the Project's design, and intends to commence construction within the next few months. Actus requests HECO to expedite the relocation of the subject 46 kV overhead subtransmission line, and HECO seeks to commence with the relocation in the June to July 2005 timeframe in order to accommodate Actus' request.

6. Actus is paying for: (A) the Project's total estimated cost of \$69,132, including change-over and removal costs; and (B) the general excise tax amount of \$2,876.

III.

HRS §§ 269-27.5 and 269-27.6(a)

HRS §§ 269-27.5 and 269-27.6(a) respectively provide:

§269-27.5 Construction of high-voltage electric transmission lines; hearing. Whenever a public utility plans to place, construct, erect, or otherwise build a new 46 kilovolt or greater high-voltage electric transmission system above the surface of the ground through any residential area, the public utilities commission shall conduct a public hearing prior to its issuance of approval thereof. Notice of the hearing shall be given in the manner provided in section 269-16 for notice of public hearings.

§269-27.6 Construction of high-voltage electric transmission lines; overhead or underground construction. (a) Notwithstanding any

law to the contrary, whenever a public utility applies to the public utilities commission for approval to place, construct, erect, or otherwise build a new forty-six kilovolt or greater high-voltage electric transmission system, either above or below the surface of the ground, the public utilities commission shall determine whether the electric transmission system shall be placed, constructed, erected, or built above or below the surface of the ground; provided that in its determination, the public utilities commission shall consider:

- (1) Whether a benefit exists that outweighs the costs of placing the electric transmission system underground;
- (2) Whether there is a governmental public policy requiring the electric transmission system to be placed, constructed, erected, or built underground, and the governmental agency establishing the policy commits funds for the additional costs of undergrounding;
- (3) Whether any governmental agency or other parties are willing to pay for the additional costs of undergrounding;
- (4) The recommendation of the division of consumer advocacy of the department of commerce and consumer affairs, which shall be based on an evaluation of the factors set forth under this subsection; and
- (5) Any other relevant factors.

IV.

HECO's Position

HECO asserts that the Project is consistent with HRS § 269-27.6(a):

1. Subsection (a)(1): The benefits, if any, of relocating the 46 kV overhead subtransmission line underground do not outweigh the costs. In particular, it will cost approximately four (4) to five (5) times more to underground the

subject line than to construct it overhead. (See Exhibit 3 of HECO's Application, 46 kV Cost Comparison, Overhead vs. Underground; and HECO's response to CA-IR-3, with attachments.)

Also, the visual impact will not significantly increase, since there are existing 46 kV overhead lines in the area, and Actus' request is to relocate only a small portion (approximately 600 circuit feet) of the existing 46 kV overhead subtransmission line. In addition, the segment of the 46 kV overhead subtransmission line that is being relocated is only moving about one-hundred (100) feet away from its present location.

2. Subsections (a)(2) and (3): To HECO's knowledge, there is no governmental public policy requiring the undergrounding of the subject 46 kV subtransmission line, and there is no governmental agency or other party willing to pay for the additional costs of undergrounding.⁵ The Air Force has approved the overhead-to-overhead relocation of the subject portion of the 46 kV subtransmission line.

3. Subsection (a)(4): The Consumer Advocate does not object to the commission's approval of HECO's Application.

⁵Specifically, HECO, by correspondence, asked Actus and the Air Force if they were willing to pay the additional costs of undergrounding the 46 kV overhead subtransmission line. See Exhibits 4 and 5 of HECO's Application. Actus responded that it was not willing to pay for the additional costs to underground the subject 46 kV subtransmission line, while the Air Force stated its preference for undergrounding, but noted its lack of funding to pay for the additional costs to underground. See HECO's response to CA-IR-6.

V.

Consumer Advocate's Position

The Consumer Advocate states that the relocation of the 46 kV overhead subtransmission line, above ground, is consistent with HRS § 269-27.6(a):

1. Subsection (a)(1): "[T]he net visual impact of the proposed 46 kV overhead line will be minimal as this is not a new line that will add additional visual obstruction. In addition, there were no comments given at the public hearing to indicate that the current [P]roject area would be visually impacted by the relocation of the overhead 46 kV line."⁶

Furthermore, HECO has experienced minimal maintenance activity, beyond normal wear and tear, for the Makalapa 42 46 kV circuit. Thus, "there appears to be no significant immediate cost benefit to placing the relocated line underground."⁷

2. Subsection (a)(2): There is no apparent governmental policy that requires the placement, construction, or building of electric transmission systems underground. Moreover, the Project area is outside of the Hickam Field National Historic Landmark, which prohibits overhead lines in the historic district. Thus, there is no governmental mandate that requires the underground placement of the 46 kV subtransmission line.

3. Subsection (a)(3): Neither Actus nor the Air Force are willing to pay for the additional costs to underground the 46 kV subtransmission line.

⁶Consumer Advocate's position statement, at 4.

⁷Id. at 5.

4. Section (a)(5): "[S]ince a significant portion of the existing overhead transmission line will remain in place, there does not appear to be a meaningful benefit to undergrounding only a 600-foot section (approximately 0.11 miles) of transmission line associated with this [P]roject."⁸

The Consumer Advocate concludes: (1) the benefits of undergrounding the 46 kV subtransmission line do not appear to outweigh the additional costs; and (2) it appears reasonable to relocate the 46 kV subtransmission line overhead.

VI.

HRS § 269-27.6(a)

The commission finds that the above ground relocation of the existing 46 kV subtransmission line is consistent with HRS § 269-27.6(a).

Specifically:

1. The commission is: (A) not convinced that a benefit exists that outweighs the estimated four (4) to five (5)-fold costs of undergrounding the 46 kV subtransmission line; and (B) unaware of any governmental policy either requiring the undergrounding or committal of funds for the costs of undergrounding the 46 kV subtransmission line.

2. No governmental agency or other entity has expressed a willingness to pay for the cost differential to underground the 46 kV subtransmission line. Actus and the Air Force both declined to pay for the additional undergrounding costs.

⁸Id. at 8.

3. The Consumer Advocate does not object to HECO's request to relocate the 46 kV overhead subtransmission line above ground.

4. The visual impact of the relocated 46 kV subtransmission line will not significantly increase, since there are existing 46 kV overhead lines in the area, and Actus' request is to relocate only a small portion (approximately 600 circuit feet) of the existing 46 kV overhead subtransmission line. In addition, the segment of the 46 kV overhead subtransmission line that is being relocated is only moving about one-hundred (100) feet away from its present location.

The commission approves HECO's request to relocate the Project's 46 kV overhead subtransmission line above ground.

VII.

Orders

THE COMMISSION ORDERS:

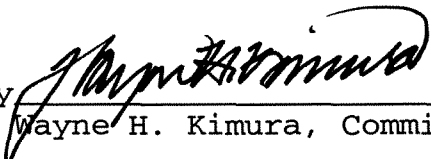
1. HECO's April 7, 2005 request to relocate the Project's 46 kV overhead subtransmission line above ground is approved, pursuant to HRS § 269-27.6(a).

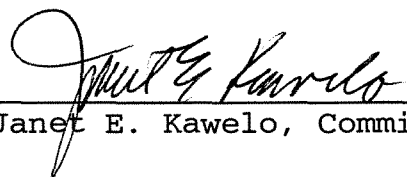
2. This docket is closed unless ordered otherwise by the commission.

DONE at Honolulu, Hawaii JUN 24 2005.


PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By 
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Michael Azama
Commission Counsel

05-0086.sl

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 21891 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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Karen Higashi

DATED: